



# Missouri Department of Natural Resources Energy Center

## MISSOURI ENERGY BULLETIN

October 7, 2004

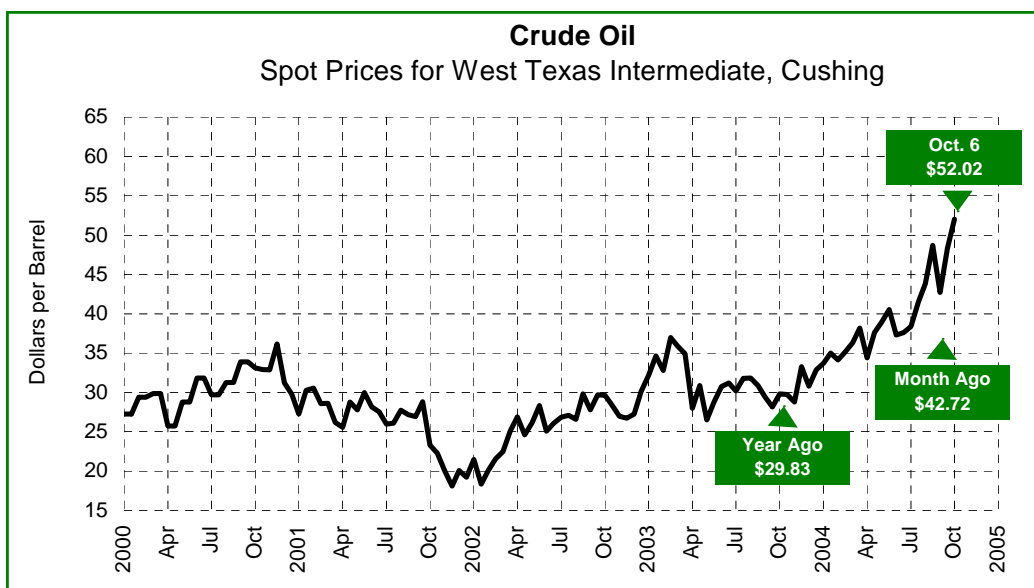
### Crude Oil

Crude prices remain strong as the NYMEX set another benchmark record at \$51.09 on October 5 and \$52.02 on October 6 and are positioned to move into the \$53 price band.

*Crude Oil - Spot Prices (dollars per barrel)*

	<u>10-06-04</u>	<u>09-08-04</u>	<u>change</u>	<u>10-08-03</u>	<u>change</u>
WTI	\$52.02	\$42.72	up 22%	\$29.83	up 74%

- On October 1, crude oil futures on the NYMEX settled at an all-time high in excess of \$50 per barrel, settling at \$50.12 per barrel. Crude prices remain strong as the NYMEX set another benchmark record at \$51.09 on October 5 and \$52.02 on October 6 and are positioned to move into the \$53 price band.
- As of October 6, about 478,100 barrels per day of the Gulf Coast region's normal output of 1.7 million barrels per day was still shut-in due to Hurricane Ivan according to the U.S. Minerals Management Service. Industry analysts now predict that it may take 45-90 days for petroleum operations to resume normal operations.
- The EIA weekly petroleum report for the week ending October 1 notes U.S. commercial crude oil stocks were up 1.1 million barrels but down by over 12 million barrels compared to this time last year due to the prolonged recovery time following Hurricane Ivan.



- With total inventories at 274 million barrels, crude oil is now at the lower end of the 5-year price range for this time of year, according to the EIA.
- Refiner utilization rates grew by 5.2 percent last week and are now at 88.9% of U.S. capacity, as more refineries resume normal operations after the storm.

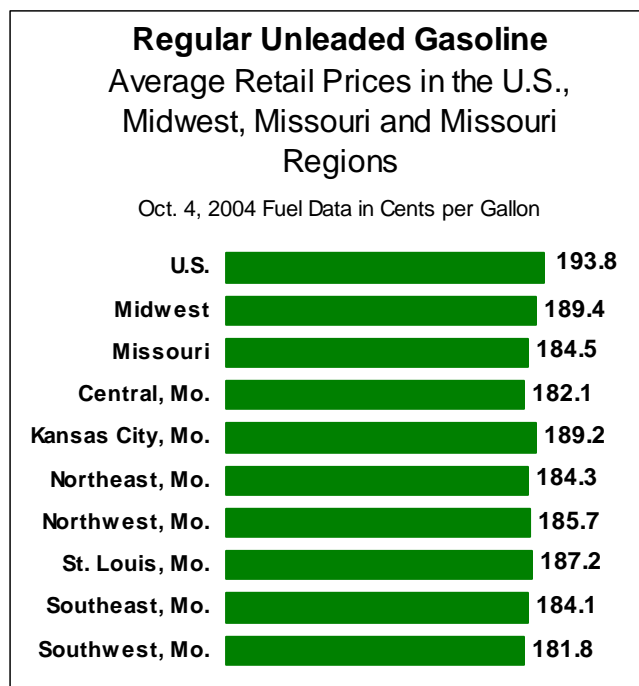
### **Transportation Fuels**

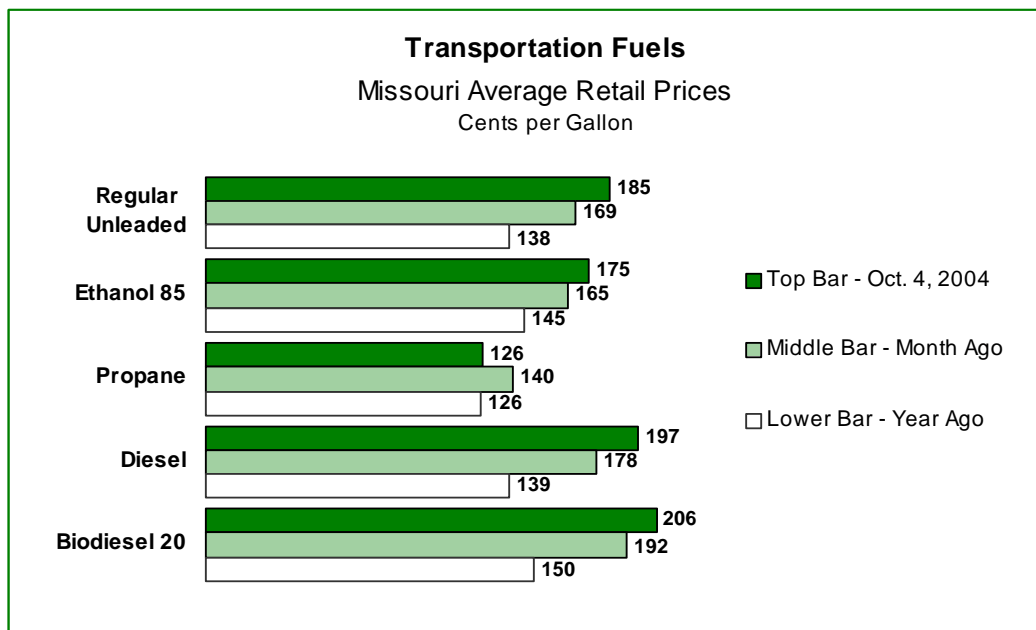
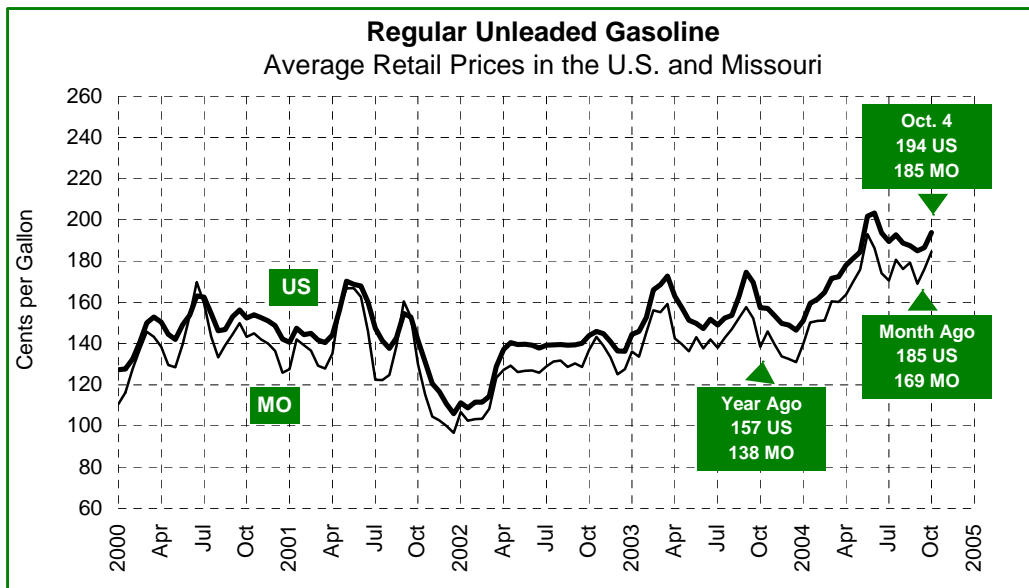
**Missouri's average retail price for regular gasoline increased 16 cents per gallon from the previous month to reach \$1.85 per gallon as of Oct. 4. This is 47 cents higher than at this time last year.**

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>10-04-04</u>	<u>09-06-04</u>	<u>change</u>	<u>10-06-03</u>	<u>change</u>
US	194	185	up 5%	157	up 23%
Missouri	185	169	up 9%	138	up 33%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>10-04-04</u>	<u>09-06-04</u>	<u>change</u>	<u>10-06-03</u>	<u>change</u>
Missouri	197	178	up 11%	139	up 42%

- Over the last year, Missouri's average retail gasoline prices have increased 33 percent, climbing from 138 cents per gallon to 185 cents per gallon. During the last month, Missouri retail prices have increased by 16 cents per gallon, or 9 percent following the price trends of crude oil and gasoline prices at the NYMEX. Missouri motor gasoline retail prices peaked at nearly \$2 per gallon on May 17. Retail prices are expected to remain strong due to record prices for crude oil.





Motor Gasoline - Total Stocks (millions of barrels)					
	10-01-04	09-03-04	change	10-03-03	change
US	199.4	204.1	down 2%	198.0	up 1%

- U.S. gasoline supplies increased for the week ending Oct. 1 with commercial supplies growing by 0.6 million barrels from the previous week, placing them at approximately 199.4 million barrels, within the 5-year average for this time of year. U.S. gasoline supplies decreased due to shuttered production by Gulf Coast refineries and temporary delays in tanker ship deliveries of gasoline due to Hurricane Ivan.
- U.S. gasoline production was estimated at 8.6 million barrels per day, up from 8.1 million barrels from the previous week. Imports contributed an additional 0.9 million barrels per day, well below the 1.2 million barrels per day seen for the week ending Sept. 3.

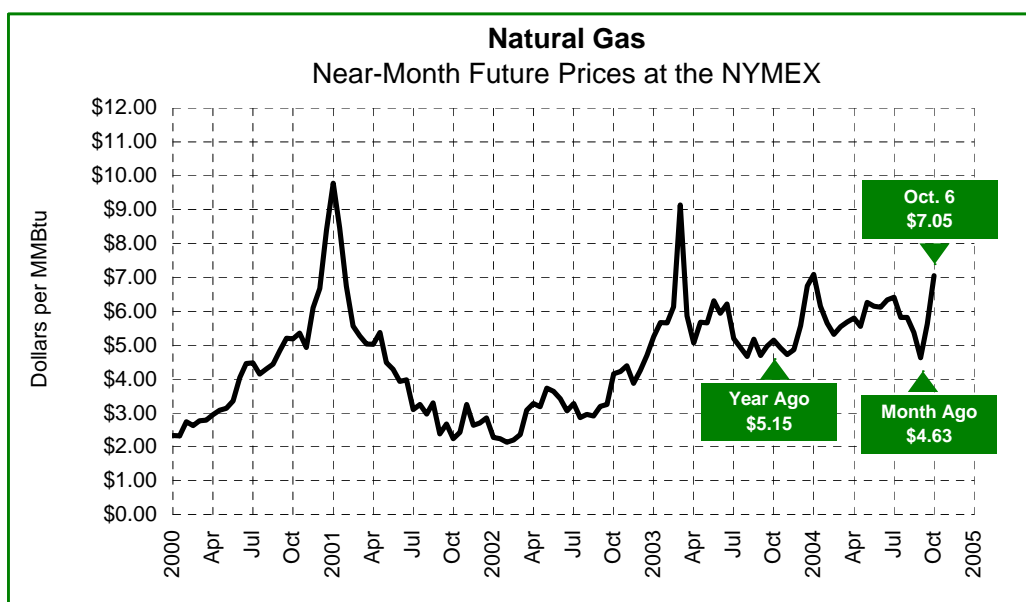
## Natural Gas

Approximately 56 percent (1,261,397) Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

**On October 6, natural gas futures closed at \$7.05, an increase of \$0.42 per MMBtu since last month and \$1.90 higher than last year.**

- On October 6, natural gas futures closed at \$7.05, an increase of \$0.42 per MMBtu since last month and \$1.90 higher than last year. On Sept. 29, the U.S. Minerals Management Service reported that 2.3 billion cubic feet per day of natural gas production in the Gulf Coast region remained shut-in. As much as 6.5 billion cubic feet per day of gas production has been curtailed in the Gulf as a result of the storm.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	10-06-04	09-08-04	change	10-08-03	change
NYMEX	\$7.05	\$4.63	up 52%	\$5.15	up 37%



- Working gas in storage was 3,011 Bcf as of Friday, September 24, 2004, according to the EIA *Weekly Natural Gas Storage Report*. This is 183 Bcf, or about 6.5 percent, higher than the 5-year average for the report week. The implied net injection during the report week was 69 Bcf, or about 7 percent below the 5-year average net addition of 74 Bcf for the week and 32 Bcf less than the injection of 101 Bcf reported for the same week last year. This is the second week in a row that net additions to storage have been 32 Bcf below last year's level of injections. Production shut-ins owing to Hurricane Ivan were likely the principal factor leading to the below average level of net additions to storage.
- EIA projects that Midwest households may see their winter heating bills increase by 15 percent based on natural gas prices that are expected to be 11 percent higher than last year.

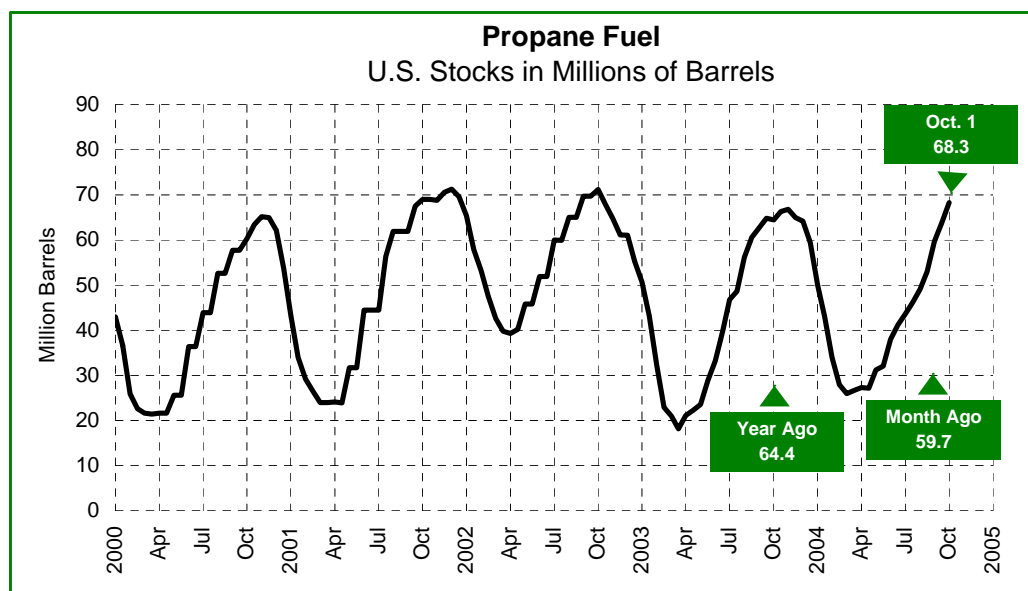
## Propane

Approximately 13 percent (293,803) Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

The nation's primary supply of propane stands at an estimated 68.3 million barrels as of October 1, a level 5.8 million barrels above the same period last year.

<i>Propane - Residential Prices (cents per gallon)</i>					
	<u>10-04-04</u>	<u>09-06-04</u>	<u>change</u>	<u>10-06-03</u>	<u>change</u>
Missouri	136	129	up 5%	110	up 23%

- U.S. inventories of propane gained a record 8.6 million barrels during September 2004, breaking the previous monthly record set during September 1970 of 4.6 million barrels. The nation's primary supply of propane stands at an estimated 68.3 million barrels as of October 1, a level 5.8 million barrels above the same period last year.
- NYMEX propane future prices settled at \$0.85 per gallon on Oct. 6 compared to \$0.55 this time last year. Sustained crude oil prices above \$40 per barrel (the spot price for West Texas Intermediate crude oil has closed above \$40 per barrel every trading day since July 14) and more recently topping \$50 per barrel, continue to support higher propane prices.
- EIA projects that Midwest households may see their winter heating bills increase by 21 percent based on an average price of \$1.53 per gallon with an average consumption of 914 gallons.



### Energy Bulletin Update

The Energy Bulletin has an e-mail advisory service that includes an email and a direct link to the Bulletin on our web page rather than an email attachment. This service will allow our readers to have easy and timely access to a newly designed Missouri Energy Bulletin that includes easier to read summaries of price and supply information as well as colored charts and graphs. To register for this distribution service, please visit <http://www.dnr.mo.gov/energy/transportation/e-bulletin.htm>.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443; Fax: (573) 751-6860; E-mail: [energy@dnr.mo.gov](mailto:energy@dnr.mo.gov); Web Address: [www.dnr.mo.gov/energy/transportation/fb.htm](http://www.dnr.mo.gov/energy/transportation/fb.htm)